LINAMAR

CORPORATION

ANNUAL INFORMATION FORM

for the year ended December 31, 2009

March 20, 2010

TABLE OF CONTENTS

1. Corporate Structure

1.1 Name and Incorporation

Linamar Corporation ("Linamar" or the "Company") was incorporated pursuant to the *Business Corporations Act* (Ontario) on August 17, 1966. Linamar has subdivided its outstanding common shares several times since incorporation, most recently by Articles of Amendment dated May 1, 1998 when it subdivided each of its issued and outstanding common shares into three issued and outstanding common shares. Linamar has also undertaken a number of amalgamations with one or more of its wholly-owned subsidiaries since incorporation, most recently on January 1, 2008 with one such subsidiary. The Company's registered and head office is located at 287 Speedvale Avenue West, Guelph, Ontario, N1H 1C5.

Unless the context requires otherwise, the terms "Linamar" and "Company" used herein refer to Linamar and its subsidiaries.

1.2 Intercorporate Relationships

The following is a list of the principal subsidiaries of the Company as of December 31, 2009 and their respective jurisdictions of incorporation. The percentages of voting securities owned by the Company, or over which the Company exercises control or direction, are indicated.

Subsidiary	Jurisdiction of Incorporation	Ownership Percentage
Linamar Holdings Inc.	Ontario	100
Skyjack Inc. ("Skyjack")	Ontario	100

2. General Development of the Business

2.1 Overview

Linamar is a diversified global manufacturing company of highly engineered products powering vehicles, motion, work and lives. The Company's Powertrain and Driveline focused divisions are world leaders in the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle and power generation markets. The Company's Industrial division is a world leader in the design and production of innovative mobile industrial equipment, notably its class-leading aerial work platforms and telehandlers.

Effective December 31, 2006, the Company has determined the previously reported segments of North American Automotive systems, Europe and Asia Pacific should be more appropriately reported within a single operational segment: Powertrain/Driveline. The consolidation more appropriately reflects the common nature of products, production processes and customers across these groups. The production of agricultural implements in Hungary and the development of the fabrication business in Hungary in support of the Industrial division will be reported as part of the Industrial operational segment. The corporate headquarters and other small operating entities will be included in the Powertrain operational segment.

The Company conducts its operations in five geographic regions, Canada, the United States, Mexico, Asia Pacific and Europe. Linamar's business operations are currently carried out by approximately 9,407 people in 37 manufacturing facilities, five product research development centres and 11 sales offices. Linamar's four largest customers in 2009, as measured by consolidated sales, were Ford Motor Company

("Ford"), the General Motors group of companies (“GM”), Chrysler ("Chrysler") and Caterpillar Inc. (“CAT”). The Company’s Canadian segment accounted for approximately 56% of total revenues.

The Company has grouped operating facilities mainly into six key areas; Powertrain, Canada & US; Powertrain, Mexico; Powertrain Europe; Powertrain Asia; Energy and Heavy Machining and Skyjack. Each group has a President, Director of Finance, Director of Human Resources and a Director of Sales. Linamar believes this structure is necessary to support the expected future growth of the Company. The Company also has a small Consumer Products Division supported by a General Manager and all key support operating personnel.

The reportable operating segments are the Powertrain/Driveline and Industrial Segments. Please refer to Section 3 of this AIF for a more fulsome description of these operating and geographic segments.

2.2 Facilities Expansions and New Programs

Powertrain/Driveline Segment

Through its precision machining businesses, Linamar principally engages in machining and assembly for the automotive industry and other global vehicle markets, on and off highway, which generally involves long-run processes for long-term contracts. Linamar has continued to add manufacturing space for its precision machining business over the past several years in order to facilitate the launch of new programs. Linamar continues to develop its manufacturing processes to include multiple component assemblies, and develop its product design capabilities as well.

Work in China is ongoing in the preparation to launch and the ramp up of various new programs. The permanent facility in Wuxi, China was occupied and celebrated its official opening in 2007. Sales in the Asia Pacific continued to grow throughout 2009. The Asia Pacific headquarters are in Wuxi, China, with the Asia Pacific Group Vice President located there to oversee the work and expansion in this region.

On June 5, 2007 the Company announced the purchase of a ten (10) acre site and existing 30,000 plus square foot building in Guelph, Ontario for its new technology and training centre. On September 21, 2009, Linamar announced the grand opening of the Frank Hasenfratz Centre of Excellence in Manufacturing. The Centre is dedicated to innovation in the engineering and processing of Linamar’s products and the development of people critical to the Company’s success.

Several key programs that were in the start up phase in 2008 continued their ramp up in 2009 including contracts for several 6-speed transmissions and more fuel efficient engine programs. The Company was also awarded over $325 million in takeover and quick start contracts. The continued ramping up of key programs, higher sales driven by increased consumer demand in the US versus the first half of 2009, higher sales in the Asian operations and significant cost reductions initiatives all contributed to the return to profitability during the second half of 2009.

In December 2009, the Company announced the closure of Invar, one of its manufacturing facilities located in Batawa, Ontario.

The acquisition of Automotive Components Holdings' Power Transfer Unit ("PTU") business (and certain non-PTU phase-out business) and the Converca 1 Plant in Nuevo Laredo, Mexico (the "ACH Converca Business Unit") in the third quarter of 2007 also supported sales and program growth in 2007, especially by the addition of the PTU product at the facility. This acquisition was complemented by the acquisition of the sister plant to this facility in Swansea, Wales from Visteon in the third quarter of 2008.

Industrial Segment

Linamar's Industrial Segment is comprised of its Skyjack, Consumer Products, and Energy & Heavy Machining Divisions and a Hungarian fabrication facility named OROS.

Skyjack re-introduced a refreshed design of a boom lift product into its product line in the second half of 2007. Several new Boom and Telehandler product offerings were launched in 2008. In addition, in the third quarter of 2007, Skyjack acquired Carelift Equipment Limited, a manufacturer of rough terrain forklifts (otherwise known as telehandlers) under the name "Zoom Boom". This acquisition compliments Skyjack's offering of aerial work platforms and booms. In 2009, Skyjack established a representative office in Wuxi, China to maximize on its equipment sales opportunities in China. It received its business licence in early 2010. The telehandler line-up was completed by the acquisition in the spring of 2008 of Volvo's telehandler line.

Linamar Consumer Products Inc. was launched in 2007 in order to take advantage of the Company's product and process technology in new markets. It currently manufactures utility trailers and launched in 2008 a battery-operated lawnmower, utilizing a unique, brushless motor. The unit may be re-charged using electricity or solar power.

The OROS division has increased its scope of work in the contract assembly business for a variety of customers, new and existing throughout 2008 and 2009.

The Energy and Heavy Machining Division was formed in 2008 to focus on the opportunities presented in the energy sector, including oil, gas, wind, solar, nuclear and other technologies. These industries require products and services the Company is well suited to provide, such as machining, assembly and design, and is viewed as a growth sector for the Company. In 2009, there were significant business wins in the supply of engines for the solar powered energy sector and it paves the way for continued expansion in this new line of business.

As noted, the company has recently been contracted to design, develop and produce power collection units for use in solar thermal dishes. The contract includes the production of entire external combustion engines coupled with a generator to act as the power collection source for a mirrored solar dish. The project is expected to generate significant levels of revenue in coming years with a potential to grow to hundreds of millions of dollars of annual sales over time.

2.3 Significant Acquisitions and Dispositions

The Company continues to pursue business opportunities that will further develop its product and process technology and/or utilize its machining and manufacturing expertise both outside and within the automotive sector.

On April 30, 2007 the Company announced a purchase proposal for the ACH Converca Business Unit. On September 1, 2007 the completion of the acquisition took place. The purchase included a 304,000 square foot plant, 25 acres of land and a skilled team of engineers. The PTU is a critical driveline component which provides all-wheel-drive control to vehicles. Adding the PTU manufacturing and product engineering capabilities is strategically important as it reinforces the Company's role as a full system supplier.

On August 22, 2007 the Company announced that its Skyjack subsidiary had acquired telehandler manufacturer Carelift Equipment Limited, based in Breslau, Ontario. Carelift designs and builds durable, dependable rough terrain forklifts under the name Zoom Boom and the addition of this product to Skyjack's portfolio will complement and enhance Skyjack's business.

On April 25, 2008, the Company purchased the assets of Volvo's Material Handling Equipment (MHE) Business based in Shippensburg, Pennsylvania, USA. Volvo's MHE business compliments the acquisition of Carelift Equipment, described above.

Effective September 28, 2001, Linamar adopted a formal plan to divest the Company's wholly owned in-house casting operations, which management considered was subject to significantly different business risks than the precision machining segment. During 2007, the orderly wind down of production at Standard Induction Castings was completed.

In May 2006, Linamar and the Ontario government announced an investment partnership in people and technology development, specifically in support of the development, adaptation and commercialization of cutting edge machining, manufacturing and environmental technologies in the production of powertrain and driveline components and systems. On February 9, 2007 the Company and the Ontario government formalized this investment agreement. The grant of up to $44.5 million is dependent upon the Company satisfying various program investment criteria and achieving a cumulative job target over the term of the agreement. To the extent the investment and/or job targets are not met, a pro-rata clawback arrangement exists. The term of the agreement is January 14, 2005 through January 14, 2010. Linamar and the Ontario government are working together to extend the term of this agreement.

On February 26, 2007, the Company announced its public purchase offer for the balance of the outstanding shares of its consolidated subsidiary Linamar Hungary Nyrt ("Linamar Hungary"). The offer expired in May 2007. During 2007, the Company purchased 981,727 of the shares that it did not already own for $16.7 million to bring its ownership total to 70.1%. On January 22, 2008, the Company announced the repatriation of the remaining funds that were held in escrow in Hungary that were intended for the purchase. The money was repatriated at the same exchange rate at which it was placed in escrow.

On October 18, 2007, the Company announced that it had signed a Memorandum of Understanding setting forth a preliminary understanding regarding the purchase by Linamar of Visteon Corporation's Swansea plant located in Wales, United Kingdom. Visteon's Swansea Plant currently produces power transfer units, transfer cases and axles, which would extend Linamar's presence in the driveline business and complement Linamar's recent acquisition of Ford's PTU business in Nuevo Laredo, Mexico, finalized in August. Ford is the key customer of the Swansea operations. On July 7, 2008, the Company acquired 100% of the issued and outstanding shares of Visteon Swansea Limited, subsequently named Linamar Automotive Systems Swansea Company Limited (LASSCO).

On January 30, 2009, Linamar Corporation completed the acquisition of its joint venture partner's interest in Eagle Manufacturing LLC, a machining facility in Florence, Kentucky. Prior to this, Linamar held a 60% interest in the joint venture. The purchase price allocation was finalized in the third quarter of 2009.

2.4 Credit Facilities

At December 31, 2009 cash on hand was $98.0 million, with unpresented cheques and short-term bank borrowings of $112.7 million. At December 31, 2009, the Company's syndicated revolving facility had available credit of $263.1 million.

On April 16, 2009 the Company withdrew $100 million from the syndicated revolving credit facility which was held in short-term investments until June 5, 2009, at which time, the Company used these funds to repay the Series A Private Placement Notes that were due in October 2009.

2.5 Trends

Linamar is impacted by various economic, industry and technological trends occurring within the Company's external environment.

Automotive production levels are one of the largest significant factors affecting results. In 2009, light vehicle production declined significantly due to the global economic crisis as well as the original equipment manufacturer ("OEM") bankruptcies and restructuring activities that took place within the industry. Going forward, global automotive light vehicle production volumes are expected to steadily increase year over year throughout the five-year forecast horizon from a level of 57.0 Million in 2009 to nearly 87.0 Million vehicles by 2016. (Estimates according to industry forecasting service CSM Worldwide, January 2010).

Although certain risks and some degree of uncertainty exist, Linamar views 2009 as the trough for the automotive industry and the economy in general with much of the volatility now in the past. Linamar expects near-term industry production to be stable going forward although economic growth as a whole will be modest as the slow recovery takes hold.

The industry will increase its focus on green and environmentally friendly technologies as automakers and government set a course for a future of sustainable mobility within the transportation sector. The reduction of greenhouse gases emissions and aggressive fuel economy improvement targets will drive continued development in Linamar's core product areas. Hybrid and battery electric powered vehicles will become more prevalent within the industry but will only occupy a niche segment of the total vehicle market over the next 5-10 years. Incremental improvements in conventional powertrain technologies such as engines and transmissions are viewed as the primary response to meeting much of the new legislated requirements. Efficiencies will be achieved with increased penetration of such technologies as gasoline direct injection, variable valve timing, turboboosting, ethanol fuel and 6, 7 and even 8 speed automatic transmissions.

OEM outsourcing of Linamar's key powertrain and driveline products and modules still present a significant opportunity for the Company over the next 10-20 years. The limited availability of capital will necessitate the outsourcing of non-core operations such as machining and powertrain assembly work by the OEMs to capable suppliers such as Linamar who are well positioned to manufacture these components, modules and systems. Linamar has benefited from this trend over the past several years, which it expects to continue.

Rationalization of the automotive supply chain will persist as companies exit the automotive industry and OEMs seek to reduce the number of suppliers they purchase from to forge closer relationships with key partners. 2009 saw an unprecedented level of auto parts supplier bankruptcies and liquidations as the recession forced several companies out of business. Linamar benefited from this trend by securing new contracts for takeover work. It is expected that industry consolidation and restructuring will continue over the near to medium term as overcapacity in the supplier sector is addressed. With Linamar's strong balance sheet and close ties with existing OEM customers, the Company is well positioned to remain a prominent player in the industry.

Linamar's diversification strategy seeks to decrease the total overall dependence on both the automotive market and the North American region and give the company more avenues within which to grow existing product and process capabilities. Linamar is poised to take advantage of growth opportunities in both developing geographic regions of the world as well as new emerging industries. 2009 saw considerable sales growth at the Company's Asia-Pacific division. This is expected to continue with China operations in particular providing much of that growth. China's auto production forecast continues to see robust year over year growth. The country's total vehicle sales outpaced that of the depressed U.S. market in 2009 and it is expected that China will permanently overtake the US market as the world's largest domestic automotive market sometime later this decade. In addition, Linamar continues to investigate key emerging markets as opportunities for geographic diversification.

Linamar is also pursuing opportunities in the newly emerging green energy market. The Company's strong capabilities in engine power generation, transmissions, and LEAN manufacturing expertise are being transferred to the wind and solar power generation markets. Linamar's Energy & Heavy Machining Division has been established to create a presence in a variety of energy markets such as wind, solar, nuclear and oil and gas, as well as other heavy industries such as rail and aerospace. Significant growth

in the renewable energy sector is anticipated in both Linamar's home market in Canada as well as on a global basis.

Linamar's Skyjack division experienced a dramatic decline in revenues in 2009 consistent with the general industry business cycle. The business is heavily reliant on the non-residential construction sector which observed a significant reduction in capital projects as a result of the credit crisis and economic downturn. Improving industry demand, albeit constrained, is expected to return later in 2010 coinciding with the return of construction projects and the renewal of equipment rental companies' aging fleets.

3. Description of the Company's Business

3.1 General

Linamar is a diversified global manufacturing Company of highly engineered products powering vehicles, motion, work and lives. The Company's Powertrain and Driveline focused divisions are world leaders in the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle and power generation markets. The Company's Industrial division is a world leader in the design and production of innovative mobile industrial equipment, notably its class-leading aerial work platforms and telehandlers.

Effective December 31, 2006, the Company has determined the previously reported segments of North American Automotive systems, Europe and Asia Pacific should be more appropriately reported within a single operational segment: Powertrain/Driveline. The consolidation more appropriately reflects the common nature of products, production processes and customers across these groups. The production of agricultural implements in Hungary and the development of fabrication business in Hungary in support of the Industrial division will be reported as part of the Industrial operational segment. The corporate headquarters and other small operating entities will be included in the Powertrain/Driveline operational segment.

3.2 Powertrain/Driveline Segment

The company reports its results of operations in two business segments: Powertrain/Driveline and Industrial. The segments are differentiated by the products that each produces and reflects how the chief decision makers of the company manage the business. The Powertrain/Driveline Segment brings together the automotive and other vehicle engine, transmission and driveline components segments and the Industrial Segment comprises the Skyjack, consumer products, European fabrication and energy groups.

The Powertrain/Driveline segment has 32 manufacturing facilities, three development centres and five sales and service offices in Canada, the United States, Mexico and Japan.

The Powertrain/Driveline Segment manufactures and assembles all of the precision-machined components and assemblies that are used in high quality transmission, engine and driveline systems. Its focus is on transmission/driveline power transfer units, transmission cases, shafts, shafts and shell assemblies, clutch modules, and valve bodies, as well as torque converters, pumps, planetary gear assemblies and components, housing and covers, transmission sub-assemblies and modules for all types of drivetrain configurations. In the driveline area, it also focuses on steering knuckles and assemblies, drums and rotors as well as complete steering and suspension sub-assemblies and modules, control arms and assemblies, power steering and rack housings, gears, joints and fittings, power steering pumps, cross members and assemblies, column components and assemblies, races and flanges, bearing caps, yokes, sprockets, carriers and cases, and axle shaft assemblies. The Powertrain/Driveline Segment also manufactures and assembles every key mechanical component of today's modern engine. It can provide a fully assembled and dressed engine, or an engine module. Its focus is on cylinder blocks and assemblies, cylinder heads and complete head assemblies, camshaft assemblies, crankshaft assemblies,

and connecting rods, as well as intake manifolds, gears, flywheels, covers and housings, liners and pistons, injectors, cases, vacuum pumps, oil pumps and water pumps.

The principal customers for the Powertrain/Driveline Segment are OEMs with operations in North America and their suppliers, including CAT, Chrysler, Ford and GM.

For 2009, sales for the Powertrain/Driveline Segment decreased by $298.8 million from $1,813.4 million in 2008 to $1,514.6 million in 2009. The key factor impacting sales was the significant reduction in global vehicle markets in 2009, compared to 2008. Declining sales negatively impacted earnings for this segment due to the under-absorption of fixed costs due to significant volume reductions in the global vehicle markets; as well as expenses related to the release of employees due to the downward adjustments in sales volumes; and capital asset impairments related to the bankruptcy filings of both Chrysler and GM.

The Company's Powertrain/Driveline and Industrial segments both have operations in Europe. These European operations focus on full-service engineering and manufacturing support for all the Powertrain/Driveline products for the entire European automotive and commercial vehicle market. The same advanced manufacturing and leading-edge technologies are also employed in its agricultural and industrial products. European operations have five manufacturing facilities (in Hungary, Germany and Wales), two development centres (in Germany and Hungary) and four sales offices (in Hungary, Germany, France and the United Kingdom).

Linamar Hungary, part of the Company's European operations, machines and assembles highly engineered components and assemblies for the automotive industry, and manufactures corn heads and other agricultural components, subassemblies and equipment. It also assembles aerial lift platforms and manufactures and assembles other industrial products. Linamar Hungary operates through three separate divisions, two of which manufacture products for the automotive sector and one of which manufactures agricultural equipment. The automotive divisions operate in two new facilities and one original building from the date Linamar Hungary was first purchased. Linamar Hungary's manufacturing facilities are located in Orosháza and Békéscsaba, Hungary.

The principal customers of the European Group are European OEMs and their suppliers, including Ford, Perkins, BMW, Krone, Magna Powertrain, Cummins, Bosch, Denso and Suzuki.

European sales in 2009 decreased $98.1 million to $281.1 million from $379.2 million in 2008. This reflects a decrease in sales of both the Powertrain/Driveline and Industrial Segments as a result of the economic slow down that occurred in 2009.

Sales in the Asia Pacific region increased by 157% to $51.5 million in 2009 but remain at their anticipated low levels as programs in the region continue to ramp up.

3.3 Industrial Segment

The Industrial Segment serves a variety of markets as noted above but is most notably a leading manufacturer of aerial work platforms, focused on production of the industry's most reliable scissor lifts. Skyjack offers innovative products through creative engineering driven designs, complete customer and product support and the Skyjack commitment to exceed customers' expectations. As noted earlier, Skyjack re-introduced a boom lift product into its product offering in the second half of 2007 and acquired a telehandler manufacturer in the third quarter of 2007. It introduced more boom and telehandler products to the market in 2008. The majority of Skyjack's sales are in the North American market. Products include both battery powered and combustion engine powered scissor lifts. It has two facilities in Canada, two in the United States and one in Europe. Since 2002, two models of Skyjack scissor lifts have been produced by Linamar Hungary's agricultural division for the European Market. Sales for the Industrial Segment decreased by $282.3 million to $161.3 million in 2009 from $443.6 million in 2008. In

2009, Industrial Segment revenues represented 9.6% of total consolidated sales for the Company. In 2008, the Industrial Segment represented 19.7% of total consolidated sales for the Company.

The Industrial Segment's Linergy division was established to focus on energy and heavy machining markets and is making in roads in each driving sales growth in 2009.

The Consumer Products division saw increased sales in both trailer and lawnmower products in 2009.

Linamar Hungary's OROS division experienced a significant decline in the agricultural and turf markets it supplies which had a large impact on the Industrial Segment sales in 2009. This market is expected to remain depressed through 2010.

The decrease in industrial product sales and earnings has been predominantly driven by significant volume reductions in both access and other industrial markets driving under-absorption of fixed costs; as well as inventory provisions taken as a result of continued low activity – primarily in the access equipment market; some increased raw materials costs; and launch costs related to the continued start up of the energy market business.

3.4 Sales and Marketing

Linamar's precision machining operations sell its products directly to its customers in Canada and the United States through its Canadian and U.S**.** sales offices. The Company has now established sales offices in the United States, Mexico, the United Kingdom, Germany, Japan and China. The various internal divisions and subsidiaries of the OEMs generally initiate their own purchasing decisions and thus each OEM may constitute, in effect, several different purchasers.

A significant portion of Linamar's sales in its precision machining operations are to the automotive industry. Companies which supply directly to the OEMs and which may be involved in the design, engineering, manufacture and quality control testing are generally referred to in the automotive industry as "Tier 1" suppliers. Tier 1 suppliers (including Linamar) may be awarded longer term purchase orders by OEMs as a result of their involvement in the development of components with the OEMs. Many parts are now being manufactured and assembled into components, assemblies, modules or systems by Tier 1 suppliers. OEMs purchase components, assemblies, modules or systems and then complete the assembly of the vehicle. Tier 1 suppliers generally have the capability to supply these components, assemblies, modules or systems to the OEMs on a just-in-time basis, which helps OEMs reduce or otherwise manage inventory levels.

In producing assemblies, modules or systems for OEMs, Tier 1 suppliers may rely on other suppliers for some components or parts. Depending on their level of sophistication in respect of engineering, manufacturing and other relevant skills, these and other suppliers are generally referred to as either "Tier 2" or "Tier 3" suppliers.

Linamar believes that there are significant opportunities for growth as a result of the continued trend for OEMs to outsource to suppliers a greater proportion of the supply of components, assemblies, modules and systems within the powertrain and other areas, and in particular larger and more complex products with increased content and features. Additionally, as the product lifecycles of engines and transmissions tend to be relatively longer than those of other automotive systems, management believes that where Linamar has been able to obtain production contracts for new or redesigned product introductions from its customers, it will have an opportunity to supply such products for longer lifecycles. The production runs or lifecycles for engine and transmission components of the type produced by Linamar typically continue for between five and ten years.

The Company usually receives contracts to produce particular parts for multiple model years. Firm orders are usually only created when Linamar receives a release under such a contract, authorizing it to produce and deliver specific quantities of the product. Such releases are generally issued for planning, raw material and production purposes over a three to four month period in advance of anticipated delivery dates. The actual number of parts produced by the Company under any specific contract in any given year is dependent upon the number of vehicles produced by the OEM of the specific model or model type in which the part is incorporated. OEM production levels of a particular vehicle model or engine or transmission type may vary significantly from OEM estimates and such production may be delayed or cancelled, sometimes with little compensation to Linamar. Although OEMs are not usually contractually committed to using a particular manufacturer to supply a product throughout the time the OEM requires such product, it has been Linamar's experience that, once it has received a commercial production order to produce a part for a particular vehicle model or model type, it will ordinarily continue to produce the part throughout the time the OEM utilizes such part for that vehicle.

The Company also obtains production programs on a re-sourcing basis. Such programs are typically already in production at OEM facilities or at the facilities of one of the Company's competitors and are, for various reasons, such as capacity or production problems, re-sourced to Linamar for production at its facilities.

3.5 Quality Control

Linamar has identified and pursues quality control as a key driver of its business. The Company has invested heavily in advanced measuring and monitoring equipment and utilizes a program known as "Statistical Process Control". This program gives a machine operator the ability to rectify deviations that might otherwise lead to quality problems or unnecessary machine wear. The Company also performs ongoing machine, process and gauge capability studies to ensure that quality and productivity are maintained or improved where possible. At March 5, 2009, 36 of the Company's facilities were either ISO-9000 or TS16949 registered suppliers. Linamar's active pursuit of these registrations demonstrates to its customers the Company's dedication to quality. Linamar's dedication to the quality of the environment is also demonstrated by the fact that 35 of its facilities are ISO-14001 registered.

The Company traditionally has experienced a very low level of warranty claims. As Linamar becomes more involved in the design of products, however, it is possible that in the future the number of such claims may rise.

Linamar has, since 2002, followed the Linamar Production System ("LPS"), which is based upon the Toyota Production System. LPS is aimed at eliminating waste both in the production process and throughout the organization to help the Company achieve its goal of being a lean, cost effective entity. LPS can be divided into three steps. The first step in the system is to develop value stream maps which allow the Company to determine its current processes, the changes it wants to implement to improve these processes and the method for implementing the changes. The second step involves the establishment of standardized work instructions and the development of the best possible work instructions for an activity to eliminate waste. The last step of this system is the implementation of a 5S Work Place Organization Plan. The 5Ss are letters from words that lead to work place organization – sort, straighten, sweep, standardize and sustain. Throughout 2009, LPS has been successfully implemented at each facility and continues to be an ongoing focus of activity.

3.6 Research and Development

Linamar's research and development activities encompass both process and product development. Much activity is undertaken at each facility by the regular line personnel in response to opportunities as they arise.

The Company has four development centres – one in Ontario and one each in Michigan, Germany and Hungary. The acquisition of McLaren Performance in 2003 provides much needed capabilities in terms of

product design, development, testing and analysis. McLaren Performance is particularly known for its expertise in the engine area**.**

The acquisition of the Converca 1 Plant, discussed in section 2.2, added approximately 23 engineers with expertise in power transfer units and associated driveline systems. This reinforces the Company's role as a full system supplier with design expertise.

Also as noted in section 2.2, the Company announced the opening of a technology and training centre. On September 21, 2009, Linamar announced the grand opening of the Frank Hasenfratz Centre of Excellence in Manufacturing. The Centre is dedicated to innovation in the engineering and processing of Linamar's products and the development of people critical to the Company's success.

As noted in section 2.3, the Company has entered into an investment agreement with the government of Ontario, a focus of which will be on research and development. Please refer to section 2.3 for a full description thereof.

3.7 Intellectual Property Rights

Linamar uses its patents, trademarks and copyrights in its manufacturing businesses, and both licenses to third parties, and is licensed to use third party, intellectual property. The Company's intellectual property rights are an important asset, but the loss of any particular right would not have a material effect on its business.

3.8 Engineering and Design

Linamar's employees and sales representatives attempt to become involved as early as possible in the OEM vehicle, engine and transmission development programs and to develop components, modules or systems that either replace products currently produced by Linamar or represent strategically important product opportunities for Linamar. It has been the Company's experience that early involvement by a supplier in the development cycle of a new vehicle model or new engine or transmission type often leads to orders for commercial production of the components, modules or systems for such vehicles, engines or transmissions.

It has become increasingly common for OEMs to identify a supplier as the source for a component, module or system during the product design phase, provided the supplier meets various price, service and quality standards. When a supplier is pre-sourced in this manner, the OEM and supplier cooperate on design, product and process engineering and establish the selling price and other relevant considerations through a negotiation process.

Linamar recognizes that in order to remain a Tier 1 supplier, it must maintain its ability to provide complete engineering, development, prototype, testing and production capabilities. Of course, the addition of McLaren Performance and the engineers from the Converca Plant 1 acquisition, discussed above, enhances the Company's abilities in this regard. As of December 31, 2009, McLaren Performance, plus the engineering and design staff consisted of approximately 576 people in all Linamar plants. Recently, the engineering expertise of the Company played a key role in Linamar being named a global strategic supplier for CAT and one of Ford's Aligned Business Framework Suppliers. The Company has been awarded significant design programs for the Big Three OEM's. In addition, McLaren has successfully commercialized the design of a power conversion unit for use in the solar energy sector as described above. This work has been won as a result of Linamar's increased focus on people and testing capabilities in the engineering and design area.

Linamar's engineering staff uses a variety of CAD/CAM systems and work closely with production personnel in providing engineering support as required. Large projects sometimes require supplementing in-house engineering capabilities through the use of subcontractors and other external services. Linamar strives to maintain its technical and engineering staff at approximately 20% of its workforce. Linamar

initially worked with non-automotive customers in order to gain the experience necessary for automotive components. For example, the Company has been successful in designing and developing axles for the access equipment industry and trans-axles for the utility vehicle industry. Linamar is now recognized as a full service supplier for power transfer units, transmission shafts, differential assemblies, clutch structural components and transmission support assemblies.

OEMs, particularly in North America, provide varying levels of engineering specifications to suppliers when sourcing parts, components, modules or systems. In some instances, the OEMs will provide basic functional parameters and the supplier will be expected to take total responsibility for engineering and the related technologies. These projects typically involve a greater investment by Linamar in engineering and related costs and may, depending on the value added and other factors, yield a higher margin than other projects. At the other extreme, OEMs may retain complete engineering control and require that the supplier manufacture the particular product to the OEM's specifications. In between these two extremes are projects where OEMs provide functional and space parameters and certain specifications to the supplier, but the engineering responsibility remains a cooperative effort between the OEM and the supplier.

3.9 Operating Philosophy

Linamar's organizational structure is aimed to allow for the Company to focus on performance, opportunity and innovation. The creation of the Company's two operating groups, Powertrain/Driveline and Industrial, aligned facilities around specific components, assemblies and modules and has created "centres of excellence" which are designed to deliver superior quality, development, and product launch capabilities. Each facility in a group is operated as a separate profit centre managed by a general manager with production expertise who has discretion, within broad guidelines established by the Group's management, to determine rates of pay, hours of work, sources of supply and contracts to be performed.

The independence of each facility within a group allows Linamar to react quickly to new business opportunities. It also allows operational decision-making and cost control to occur at the group and facility level, thus permitting the monitoring of each profit centre and the effective implementation of management incentive programs. The Company encourages its groups and each of their facilities to use Cost Attack Teams ("CATs") to promote efficiency and continuous improvement. CATs focus on a particular product or process and analyze such factors as the utilization of equipment, tools and manpower, interaction with sub-contractors and the movement of parts and products around the facility to identify potential efficiency gains. CATs have been known to achieve approximately 5 – 10% in cost savings.

Linamar coordinates its quoting process for new business through its Powertrain Center of Excellence office, with input from applicable facilities and final approval from the Group offices and production facilities. The Company continues to expand its estimating, quoting and product development resources in order to better meet the expanding needs and expectations of its customers.

Linamar utilizes program management systems in its manufacturing operations to manage product supply from initial concept on through to commercial production and in respect of continuous improvement processes. These systems generally involve cross-functional teams in each plant and incorporate policies and procedures which meet or exceed ISO-9000 quality guidelines. Linamar has also established a Technical Review Board comprised of a team of cross-functional experts from manufacturing facilities which determines and tests best practices and optimum use of technology.

3.10 Employees

At December 31, 2009, the Company had approximately 9,407 employees worldwide working mainly in the following countries and reportable operating segments:

By Country	Approximate No. of Employees
Canada	4,943
Germany	289
Hungary	1,428
Mexico	1,573
United States	332
Asia Pacific	588
Wales, United Kingdom	254

By Reportable Operating Segment	Approximate No. of Employees
Powertrain/Driveline Segment	8,231
Industrial Segment	1,176

The Company strives to maintain good relationships with its employees and has a history of resolving labour issues amicably. All facilities have regular employee meetings to keep employees informed of changes within the Company. The Company utilizes a "balanced scorecard" incentive program as part of a program the Company refers to as its "Stepping Stool of Success". This program monitors how each separate facility is performing against key measurables in the three areas of customer satisfaction, employee satisfaction and financial satisfaction. This program links the compensation of all employees to achievement of specific goals and provides feedback on successes and areas for improvement.

The health and safety of all employees in the workplace is a priority. In recognition of this, all facilities are subject to annual and quarterly external health and safety surveys. Linamar's lost time accident frequency per employee is approximately 57% lower than the industry standard. Linamar has also mandated that all of its plants be registered under the ISO 18001. As at December 31, 2009, 43% of its plants were successfully registered, with others scheduled to be registered in April 2010.

Employees working in the facilities located in the UK, Mexico and Hungary are covered by labour contracts. Other than Invar Manufacturing ("Invar"), a division of Linamar Holdings Inc. located in Batawa, Ontario, which has a labour contract covering approximately 166 employees, no employees in Canada, the United States, or Germany are subject to a collective agreement. On December 3, 2009, Linamar announced the closure of Invar. Invar will work through an orderly wind down of operations in 2010.

3.11 Manufacturing Facilities

There were several plant consolidations in 2009. The large part of Cemtol Manufacturing's operations was consolidated with the Camcor Manufacturing division. The large part of Ariss Manufacturing's operations was consolidated into Traxle Manufacturing and much of Traxle Parts' operations were

consolidated into Corvex Manufacturing. Finally, Linamar Consumer Products' operations were consolidated into Skyjack Inc. These consolidations took place throughout the year to make manufacturing operations more efficient. No facility was formally or fully closed in order to allow for rapid availability of space as might be required to take advantage of opportunities in coming months.

The Company currently has 37 active manufacturing facilities, five research and development centres and 11 sales and service offices in Canada, the United States, Mexico, Europe, Asia and the UK.

The principal facilities utilized by the precision machining segment range in size from 70,000 to 150,000 square feet and generally operate at or near 80% of production capacity although clearly that was not the case in 2009 due to the significant reduction in global markets served. Most of Linamar's existing manufacturing facilities can be adapted to a variety of manufacturing processes without significant capital expenditures, other than for new equipment. Importantly, Linamar focuses on utilizing flexible, modular CNC programmable machines to tool up its programs, meaning equipment can be easily and for low cost retooled for another program as required to meet changing customer capacity requirements. This means production lines are scalable to match customer demand as it might increase or decrease, allowing the company to reallocate equipment to new programs, shifting what are normally fixed costs and allowing growth even in times of limited capital spend, as seen in 2009.

3.12 Contingencies

Linamar is involved in certain lawsuits and claims. Management is of the opinion that the Company will not incur any additional material liability from such lawsuits and claims other than the amounts already provided for in the Company's financial statements for the year ended December 31, 2009.

4. Risk Management

The Company's discussion of risk and risk management is contained on pages 16 to 22 inclusive of the Company's Management Discussion and Analysis for the year ended December 31, 2009, which discussion is incorporated herein by reference.

5. Dividends

Since 1995, Linamar has paid quarterly dividends based on performance in prior years and expected performance. The Company paid $0.24 per share in dividends in each of 2007 and 2008. In the fourth quarter of 2008, the Company amended the dividend policy with payments to be made quarterly at a rate of $0.03 per share with respect to dividends payable on or after April 15, 2009. The payment and amount of future dividends is in the discretion of the Board of Directors and is subject to, among other things, prevailing financial, economic, operating and other relevant circumstances, including earnings, cash flow, capital requirements and the financial condition of the Company.

6. Description of Capital Structure

6.1 General Description of the Capital Structure

The Company is authorized to issue an unlimited number of common shares and an unlimited number of special shares issuable in series.

The material characteristics of the common shares are: a holder is entitled to attend and vote at all meetings of common shareholders and to one vote per common share; is entitled, subject to the rights, privileges and conditions attaching to any other class of shares, to receive any dividend if, as and when declared by the Company's Board of Directors; and, shall be entitled, subject to the rights, privileges and conditions to any other class of shares, to receive the remaining property of the Corporation upon dissolution.

The material characteristics of the special shares, as a class, are: the special shares may be issued at any time in one or more series, each series to be a fixed number set by the Company's Board of Directors' with respect to each series, the Company's Board of Directors shall determine the designation, rights, privileges, restrictions, conditions and other provisions to be attached to the special shares of each series; the special shares of each series shall rank on a priority with the special shares of every other series with respect to priority on the payment of dividends and with respect to priority on return of capital or any other distribution of assets of the Corporation; the special shares of each series shall be entitled to a preference over the common shares of the Corporation and any other shares that may rank junior to the special shares, with respect to priority in the payment of dividends and in the event of liquidation, dissolution or winding-up of the Corporation; and the Directors of the Corporation may give the special shares of any series such other preferences as they see fit.

To date, only common shares of the Corporation have been issued. There are no special shares of any series issued or outstanding.

7. Market for Securities

The common shares of the Company are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "LNR".

The price range and total volume of trading of the common shares of Linamar Corporation on the Toronto Stock Exchange for the period from January 2009 to December 2009 are as follows:

	High Price ($/share)	Low Price ($/share)	Close Price[1] ($/share)	Total Volume
Jan	4.25	3.39	4.15	4,292,138
Feb	4.25	3.03	3.34	1,150,344
Mar	3.37	2.00	2.62	5,726,905
Apr	4.78	2.57	4.30	2,979,366
May	9.65	4.25	7.72	4,342,780
Jun	11.62	7.40	10.80	5,359,214
Jul	12.37	8.52	11.39	1,684,026
Aug	13.82	11.31	12.70	2,323,120
Sep	14.25	12.00	14.25	2,057,405
Oct	15.57	13.04	15.10	2,289,207
Nov	15.86	13.50	14.12	1,675,776
Dec	14.98	13.06	13.93	1,231,951

(1) Closing price on the last trading day of the month.

7.1 Prior Sales

In October 2004, Linamar completed a private placement of U.S. $120 million aggregate principal amount of senior unsecured notes. Of the total, U.S. $80 million of the notes have a five-year term bearing

interest at a rate of 4.44% per annum. The remaining U.S. $40 million principal amount has a ten-year term and an interest rate of 5.33% per annum. In the second quarter of 2009, the Company prepaid the Series A Private Placement Notes in the principal amount of U.S. $80 million that were to mature in October 2009.

8. Directors and Officers

The following table sets forth information with respect to each of the directors of Linamar. Each director will hold office until the close of the next annual meeting of shareholders of the Company or until his or her successor is elected or appointed. The Board of Directors has established two standing committees, an Audit Committee and a Human Resources and Corporate Governance Committee, and has prescribed their respective responsibilities and mandates. The Audit Committee and the Human Resources and Corporate Governance Committee are both comprised of entirely outside directors.

Name, Address, Occupation and Security Holdings

Name & Municipality of Residence	Director Since	Other Positions and Offices currently held with the Company	Principal Occupation
Frank Hasenfratz Ariss, Ontario, Canada	1966	Chairman of the Board	Chairman of the Board of the Company
Linda Hasenfratz Guelph, Ontario, Canada	1998	Chief Executive Officer	Chief Executive Officer of the Company
Mark Stoddart Guelph, Ontario, Canada	1999	Chief Technology Officer and Executive Vice President of Marketing	Chief Technology Officer and Executive Vice President of Marketing of the Company
William Harrison[1,2] Puslinch, Ontario, Canada	1990	None	Retired Chairman and Chief Executive Officer of Lift Technologies Inc. (manufacturing)
David Buehlow[1,2,] Bright, Ontario, Canada	1998	None	Retired Partner of Coopers & Lybrand LLP, a predecessor firm of PricewaterhouseCoopers LLP (accounting firm)
Terry Reidel[1,2] Kitchener, Ontario, Canada	2003	None	Retired President and Chief Operating Officer of Kuntz Electroplating Inc. (manufacturing)

1 Member of Audit Committee
2 Member of Human Resources Corporate and Governance Committee

During the last five years, all of the Company's directors have held the principal occupations noted above.

The following table sets forth information with respect to the current officers of the Company.

Name & Municipality of Residence	Principal Occupation
Linda Hasenfratz Guelph, Ontario, Canada	CEO
Jim Jarrell	President & Chief Operating Officer

Name & Municipality of Residence	Principal Occupation
Guelph, Ontario, Canada	
Edward (Ted) A. Mahood [3] Guelph, Ontario, Canada	Executive Vice President, Chief Financial Officer and Treasurer
Mark Stoddart Guelph, Ontario, Canada	Chief Technology Officer and Executive Vice President of Marketing
Roger Fulton Burlington, Ontario, Canada	Executive Vice President, Human Resources, General Counsel and Corporate Secretary
Phil McCulloch Guelph, Ontario, Canada	President, Energy and Heavy Machining Division
Csaba Havasi Peterborough, United Kingdom	Group President Hungary & VP Operations Europe
Ken McDougall Mexico	Group President Powertrain Mexico
Ken Myers Windsor, Ontario, Canada	President, Powertrain Canada & US
Brian Wade Owen Sound, Ontario	VP Quality & Manufacturing, General Manager The Centre
Nick Adams Clarkston, Michigan, USA	VP Global Sales

[3] Mr. Mahood became Chief Financial Officer of the Corporation on January 2, 2008. During 2007, Margaret Mulligan held the position of Executive Vice President, Chief Financial Officer and Treasurer until March 31, 2007. From March 31 to December 31, 2007 Linda Hasenfratz served as interim Chief Financial Officer.

During the last five years, the Company's officers have held the principal occupations noted above except for: (i) Ted Mahood, who was Assistant General Manager of Finance at Toyota Motor Manufacturing Canada Inc. from January 2002 to January 2008; (ii) Roger Fulton, who was Executive Vice President, General Counsel and Corporate Secretary from September 2003 to March 2009; (iii) Phil McCulloch, who was General Manager of Linamar's Vehcom Manufacturing from 1995 to September, 2005 and then became Vice President Operations, Transmission Group from October 2005 to October 2008 and then President Powertrain Mexico from October 2008 to September 2009 ; (iv) Ken McDougall, who was Vice President-Operations of Minsor Powertrain Systems, from January 2001 to November 2004, and Senior Program Manager-Asia of the Company from November 2004 to February 2005, and Director Asia Pacific Development of the Company from February 2005 to July 2005, and Vice-President-Operations at Skyjack Inc. from July 2005 to December 2006, President at Skyjack Inc. from December 2006 to September 2009; (v) Brian Wade, who was Vice President – Linamar Antriebstechnik from June 2003 to June 2005, and Director of Sales, Europe from November 2004 to June 2005, and General Manager – Cemtol Manufacturing from December 2001 to June 2003, and President, Powertrain Asia & VP Operations Europe from June 2003 to October 2009; and (vi) Nick Adams, who was Vice President and Director of Worldwide Automotive Sales for Motorola Inc. from 1999 to June 2005.

As at the date hereof, the directors and senior officers of the Company, as a group of 15 persons, owned beneficially or exercised control or direction over a total of 19,904,018 common shares (representing approximately 30.76% of the outstanding shares of the Company).

9. Audit Committee

9.1 Audit Committee Charter

Attached as Appendix "A" to the Annual Information Form is the charter for the Company's Audit Committee (the "Audit Committee").

9.2 Composition of the Audit Committee

Members of the Audit Committee are David Buehlow, Terry Reidel and William Harrison. Each member of the Audit Committee is independent and financially literate.

9.3 Relevant Education and Experience

Mr. Buehlow has extensive financial experience. He attended the University of Western Ontario and received a Bachelor of Arts in Economics in 1957. Mr. Buehlow earned his C.A. designation from Queen's University in 1961. Mr. Buehlow spent the next 37 years of his career at PricewaterhouseCoopers LLP (formally Coopers and Lybrand), and was a partner for 27 years.

Mr. Reidel has extensive financial experience. He is the recently retired President and Chief Operating Officer of Kuntz Electroplating Inc., a Kitchener-Waterloo company founded in 1948. Mr. Reidel joined Kuntz in March of 2001 as Vice President- Finance. Prior to joining Kuntz, Mr. Reidel spent 39 years with accounting firm of Ernst and Young and was Office Managing Partner of their Waterloo Region Office. Mr. Reidel earned his C.A. designation from Queen's University in 1967.

Mr. Harrison has extensive financial experience. He attended the University of Guelph and the University of Toronto, receiving degrees in Honours Science and Mechanical Engineering. He joined the Allis Chalmers Corporation working in Canada, the United States and Europe. He attended York University's Faculty of Business post graduate studies. Mr. Harrison spent 21 years as President and Chief Executive Officer of Kenhar Corporation, a global supplier of components to the materials handling industry, with operations in North America, Europe, China, Korea and Japan. Mr. Harrison spent 21 years as President and Chief Executive Officer of Kenhar Corporation, a global supplier of components to the materials handling industry, with operations in North America, Europe, China, Korea and Japan. Mr. Harrison took on the responsibilities of Executive Vice President of Cascade Corporation from 1997 to 1998, and from 1999 to 2008 was Chairman and CEO of Lift Technologies Inc, manufacturers of masts and attachments for the Material Handling Industry, with operations in North America, Italy, Germany and Sweden. He is now retired.

9.4 Pre-Approved Policies and Procedures

All non-audit services to be provided to the Company or its subsidiary entities must be approved by the Audit Committee prior to the auditors providing such services.

9.5 External Auditor Service Fees

For the financial years ended December 31, 2009 and December 31, 2008, PricewaterhouseCoopers LLP ("PwC") charged the following fees to the Company:

Type of service	Fiscal 2009 ($)	Fiscal 2008 ($)
Audit fees	743,404	833,919
Audit related fees	81,782	96,419
Tax fees	72,632	200,710
All other fees	56,048	90,393
Total	**953,865**	**1,221,442**

10. Interest of Management and Others in Material Transactions

Included in the costs of property, plant and equipment is the construction of buildings, building additions and building improvements in the aggregate amount of $0.9 million (2008 - $12.6 million) paid to a Company owned by the spouse of an officer and director. Included in sales is $0.05 million (2008 - $0.03 million) related to equipment and services sold to the same Company. Included in cost of sales is maintenance costs of $0.3 million (2008 - $0.8 million) paid to the same Company. The maintenance and construction costs represent general contracting and construction activities related to plant construction, improvements, additions and maintenance for a number of facilities.

The Company has designed an independent process to ensure building construction and improvements are transacted at fair value.

11. Transfer Agents and Registrars

The Company's transfer agent and registrar is Computershare Investor Services Inc., located at 100 University Avenue, 8th floor, Toronto, Ontario M5J 2Y1.

12. Interests of Experts

The auditors of the Company are PwC. The Company believes that PwC does not hold any interests in the securities of Linamar.

13. Additional Information

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of management and others in material transactions, is contained in the Company's Management Information Circular for the Annual Meeting of Shareholders for the year ended December 31, 2009. Additional financial information, including the comparative consolidated financial statements, and management's discussion and analysis of the financial condition and results of operations of the Company is provided in the Company's Annual Report for the year ended December 31, 2009.

The Company will provide to any person, upon request to the Secretary of the Company, a copy of this

Annual Information Form, together with a copy of any documents, or the pertinent pages of any document, incorporated by reference herein, a copy of the comparative financial statements of the Company for the year ended December 31, 2009, together with the accompanying report of the auditors and a copy of any interim financial statements of the Company subsequent to such financial statements, a copy of the Management Information Circular with respect to the most recent meeting of Shareholders that involved the election of Directors and one copy of any annual filing instead of the Management Information Circular. The Company may require the payment of a reasonable charge before providing such documents to a person that is not a shareholder. If the securities of the Company are in the course of a distribution pursuant to a short form prospectus or if a preliminary short form prospectus has been filed in respect of a distribution of the Company's securities, the Company will provide to any person (without charge), upon request to the Secretary of the Company, any of the documents referred to above and a copy of any other document not referred to above that is incorporated by reference into the preliminary short form prospectus or the short form prospectus.

A Note on Forward Looking Information. Certain information provided by Linamar in this Annual Information Form and other documents published throughout the year that are not recitation of historical facts may constitute forward-looking statements. The words "may", "would", "could", "will", "likely", "estimate", "believe", "expect", "plan", "forecast" and similar expressions are intended to identify forward-looking statements. Readers are cautioned that such statements are only predictions and the actual events or results may differ materially. In evaluating such forward-looking statements, readers should specifically consider the various factors that could cause actual events or results to differ materially from those indicated by such forward-looking statements.

Such forward-looking information may involve important risks and uncertainties that could materially alter results in the future from those expressed or implied in any forward-looking statements made by, or on behalf of, Linamar. Some of the factors and risks and uncertainties that cause results to differ from current expectations discussed in this Annual Information Form include, but are not limited to, changes in the various economies in which Linamar operates, fluctuations in interest rates and currency exchange rates, environmental emission and safety regulations, the extent of OEM outsourcing, industry cyclicality, trade and labour disruptions, world political events, pricing concessions and cost absorptions, delays in program launches, the Company's dependence on certain engine and transmission programs and major OEM customers, currency exposure, technological developments by Linamar's competitors, governmental, environmental and regulatory policies and changes in the competitive environment in which Linamar operates.

The foregoing is not an exhaustive list of the factors that may affect Linamar's forward looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Linamar's forward-looking statements. Linamar assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements.

APPENDIX A

Mandate of the Audit Committee

I. Purpose of Audit Committee

The Audit Committee has been formed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- review and report to the Board on the financial statements, related MD&A and other financial disclosures of the Company;
- monitor the integrity of the financial reporting process and system of internal controls in respect of the Company's financial reporting and accounting compliance;
- monitor the management of the principal risks that could impact the financial reporting and related disclosure of the Company; and
- monitor the independence, qualifications and performance of the Company's external auditors and internal auditing department.
- monitor the Company's compliance with legal and regulatory requirements in all jurisdictions in which the Company carries on business.
- establish and monitor procedures for adherence to reporting requirements.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and has direct access to the external auditors as well as any officer or employee of the Company.

Audit Committee Composition, Meetings and Organization

1. Composition:

The Audit Committee members shall meet the requirements of the *Business Corporations Act* (Ontario) (the "OBCA") and National Instrument 52-110. The Audit Committee shall be comprised of three or more directors as determined by the Board, a majority of whom must be resident Canadians (as defined in the OBCA), each of whom shall be independent directors (as defined in Schedule "A") and none of whom shall be officers or employees of the Company or its affiliates. All members of the Audit Committee shall be financially literate (as defined in Schedule "A"). A director who is not financially literate may be appointed to the Audit Committee provided that such director becomes financially literate within a reasonable period of time following his or her appointment.

2. Appointment of Members and Chair:

Members of the Audit Committee shall be appointed by the Board on the recommendation of the Human Resources and Corporate Governance Committee and shall serve at the pleasure of the Board, or until the close of the next annual meeting of shareholders of the Company. If the Chair of the Audit Committee is not designated or present at a duly called meeting of the Audit Committee, the members of the Audit Committee may designate a Chair by a majority vote of the Audit Committee membership.

3. Meetings:

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Audit Committee Chair, any member of the Audit Committee, the external auditors or the Chairman of the Board may, with reasonable notice, call a meeting of the Audit Committee by notifying the secretary of the Board who will notify the members of the Audit Committee. The external auditors are entitled to receive notice of every meeting of the Audit Committee and to attend and be heard at such meetings. A majority of the members of the Audit Committee shall constitute a quorum. The Audit Committee Chair shall prepare and approve an agenda in advance of each meeting.

The Audit Committee should meet privately at least annually with management, the external auditors, and as a committee to discuss any matters that the Audit Committee or any of these groups believe should be discussed.

4. Access to Outside Advisors:

The Audit Committee shall have the authority to retain external legal counsel and other advisors to assist it in fulfilling its responsibilities. The Company shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.

II. Audit Committee Responsibilities and Duties

The Audit Committee shall have the duties and responsibilities set out below as well as any other functions that are specifically delegated to the Audit Committee by the Board. In addition to these duties and responsibilities, the Audit Committee shall perform the duties required of the Audit Committee by the OBCA, binding requirements of the stock exchanges on which the securities of the Company are listed and all other applicable laws. The Audit Committee may designate a sub-committee to review any matter within this Mandate.

(a) **Review Procedures**

(i) The Audit Committee shall review and report to the Board on the Company's annual audited financial statements, unaudited quarterly financial statements, related MD&A, annual and interim earnings press releases and other related financial disclosures (including financial disclosures of the Company provided in prospectuses) prior to filing or distribution. The Audit Committee's review should include discussions with management and the external auditors of significant issues regarding accounting principles, practices, and significant management estimates and judgments.

(ii) At least annually, in consultation with management and the external auditors, the Audit Committee shall consider the integrity of the Company's financial reporting processes and internal controls. The Audit Committee shall discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. The Audit Committee shall also review significant findings prepared by the external auditors together with management's responses.

(iii) The Audit Committee shall review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and the steps Management has taken to monitor, control and report thereon and provide the Audit Committee's view to the Board.

(iv) The Audit Committee shall review and assess the adequacy of this Mandate at least annually and submit this Mandate to the Board for approval.

(v) The Audit Committee will review any material changes in accounting standards and securities policies or regulation relevant to the Company's financial statements.

(vi) The Audit Committee shall review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards.

(vii) The Audit Committee shall review the process relating to and the certifications of the Chief Executive Officer and the Chief Financial Officer on the integrity of the Company's quarterly and annual consolidated financial statements.

(viii) The Committee shall review annually a letter of certification from the Chief Executive Officer on the Company's compliance with the Code of Conduct.

(b) **External Auditors**

(i) The Audit Committee is responsible for overseeing the work of the external auditors who report directly to the Committee. The Audit Committee shall, at least annually, review the independence and performance of the external auditors, including the qualifications and performance of the lead partners of the external auditors, and recommend to the Board the appointment and the compensation of the external auditors or approve any discharge of the external auditors when circumstances warrant.

(ii) The Audit Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the external auditors.

(iii) At least annually, the Audit Committee shall review and discuss with the external auditors all significant relationships they have with the Company that could impair the external auditors' independence.

(iv) At least annually, the Audit Committee shall review the external auditors' audit plan and discuss and approve the audit scope, staffing, locations, reliance upon management, and general audit approach.

(v) Prior to releasing the year end financial results, the Audit Committee shall discuss the results of the audit with the external auditors and discuss any matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.

(vi) The Audit Committee shall consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting.

(vii) The Audit Committee shall review with the external auditors any audit problems or difficulties and management's response thereto.

(c) **Internal Audit Department and Compliance**

(i) At least annually, the Audit Committee shall review the independence of the internal audit department from management and review any difficulties encountered by the internal audit department in the course of its internal audit.

(ii) At least annually, the Audit Committee shall review with the Company's counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or government agencies.

(iii) At least annually, the Audit Committee shall review the report on compliance with the Company's Code of Conduct and any instances of material deviation therefrom with corrective actions taken.

(d) **Other Audit Committee Responsibilities**

(i) At least annually, the Audit Committee shall assess its effectiveness and each of its members against this Mandate and report the results of the assessment to the Board.

(ii) At least annually, the Audit Committee shall disclose this Mandate to shareholders, as required by applicable law.

(iii) The Audit Committee shall maintain minutes of its meetings and periodically report to the Board on significant results of its activities and deliberations.

(iv) The Audit Committee shall review senior financial and accounting personnel succession planning within the Company.

(v) The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company. This policy is defined in the Standard Practice Manual, # 4-000X.

(vi) The Audit Committee shall receive reports from management in respect of procedures established for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, including the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.

(vii) The Chair of the Audit Committee shall coordinate orientation and continuing director development programs relating to this Mandate for Audit Committee members.

III. Currency of the Audit Committee Mandate

This Mandate was last reviewed by the Board of Directors on November 19, 2009.

SCHEDULE "A"

Definitions

Definitions[1]:

Meaning of Independence --

1. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company.

2. For the purposes of Section 1, a material relationship means a relationship which could, in the view of the Company's Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

3. Despite Section 2, the following individuals are considered to have a material relationship with the Company:

    a. an individual who is, or has been within the last three years, an employee or executive officer of the Company;

    b. an individual whose immediate family member is, or has been within the last three years, an executive officer of the Company;

    c. an individual who is a partner or employee of a firm that is the internal or external auditor of the Company, or was within the last three years a partner or employee of that firm and personally worked on the Company's audit within that time;

    d. an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual, is a partner or employee of a firm that is the internal or external auditor of the Company; or is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or was within the last three years a partner or employee of that firm and personally worked on the Company's audit within that time ;

    e. an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Company's current executive officers serve or served at that same time on the entity's compensation committee; and

    f. an individual who received, or whose immediate family member who is employed as an executive officer of the Company received, more than $75,000 in direct compensation from the Company during any 12 month period within the last three years;

    g. an individual who:

        i. accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary entity of the Company, other than as remuneration for acting in his or her capacity as a member of the Board of Directors or any Board committee, or as a part-time chair or vice-chair of the Board or any Board committee; or

        ii. is an affiliated entity of the Company or any of its subsidiary entities.

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[1] Derived from National Instrument 52-110 – Audit Committees

4. Despite Section 3, an individual will not be considered to have a material relationship with the Company solely because:

    a. he or she had a relationship identified in Section 3 if that relationship ended before March 30, 2004; or

    b. he or she had a relationship identified in Section 3 by virtue of Section 9.

5. For the purposes of Sections 3(c) and (d), a partner does not include a fixed income partner whose interest in the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with an internal or external auditor if the compensation is not contingent in any way on continued service.

6. For the purposes of Section 3(f), direct compensation does not include (i) any remuneration for acting in his or her capacity as a member of the Board of Directors or any Board committee or (ii) any fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company if the compensation is not contingent in any way on continued service.

7. For the purposes of Section 3(g):

    a. the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

        i. an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

        ii. an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Company or any subsidiary entity of the Company; and

    b. compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company if the compensation is not contingent in any way on continued service.

8. Despite Section 3, a person will not be considered to have a material relationship with the Company solely because he or she:

    a. has previously acted as an interim Chief Executive Officer of the Company; or

    b. acts, or has previously acted, as a chair or vice-chair of the Board of Directors or any Board committee on a part-time basis.

9. For the purposes herein (other than Sections 3(g) and (7), reference to the Company includes a subsidiary entity of the Company.

Meaning of Financial Literacy -- An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.